

## Message Text

CONFIDENTIAL

PAGE 01 STATE 100856

12-L  
ORIGIN EA-10

INFO OCT-01 ISO-00 COME-00 EB-07 NSC-05 SS-15 L-02 INR-07

CIAE-00 SP-02 /049 R

DRAFTED BY EA/IMS:ARDORNHEIM:CCH  
APPROVED BY EA/IMS:EDWARD C. INGRAHAM  
EA/EP - MR. GEBER  
COMMERCE/MEPD - MR. JASPER

----- 115675

R 302211Z APR 75  
FM SECSTATE WASHDC  
TO AMEMBASSY JAKARTA

C O N F I D E N T I A L STATE 100856

E.O. 11652: GDS

TAGS: EINV, ID

SUBJECT: KRAKATAU STEEL

REF: JAKARTA 5009

1. ARMCO AND MCKEE HAVE NOT RECEIVED REPORTED APRIL 25  
TELEXES FROM GOI AND UNAWARE REQUIREMENT TO EXPRESS  
INTEREST BY MAY 1. WHILE REFTTEL DOES NOT STATE SCOPE OF  
WORK REQUIRED OF CONSULTANTS, TWO COMPANIES ARE GENERALLY  
INTERESTED. THEY WOULD APPRECIATE EMBASSY EFFORTS TO  
ENSURE THEY ARE NOT EXCLUDED.

2. DEPARTMENT AND COMMERCE/MEPD SHARE EMBASSY'S DESIRE  
TO PROCEED CAUTIOUSLY. COMMERCE HAS ADVISED ARMCO AND  
MCKEE NOT TO MAKE ANY DIRECT INQUIRIES AT THIS TIME.

3. TO BE HELPFUL TO TWO COMPANIES, WE WOULD APPRECIATE  
HAVING CERTAIN DETAILED INFORMATION SOONEST. HAS GOI  
POSSIBLY CHANGED ITS MIND ABOUT INVITING BIDS FROM PROS-  
PECTIVE CONSULTANTS, OR AT LEAST FROM ARMCO AND MCKEE? WAS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 100856

U.S. STEEL FOURTH FIRM BEING CONSIDERED FOR INVITATION

(ASIDE FROM SOFRASID)? HAS GOI DECIDED TO AVOID BID INVITATIONS AND MERELY TO GIVE CONSULTANT CONTRACT TO SOFRASID, AS SUGGESTED IN REFTTEL? IF GOI IS ONLY DELAYING ITS

INVITATIONS TO BID, WHAT ARE LIKELY TO BE TERMS OF REFERENCE FOR CONSULTANTS -- REORGANIZATION OF KRAKATAU?; CLARIFICATION OF TECHNICAL AND ECONOMIC QUESTIONS SURROUNDING POSSIBLE EXPANSION BEYOND 500,000-TON LEVEL OF PRODUCTION? OTHER?

4. WE HAVE DISCUSSED SITUATION WITH COMMERCE/MEPD, WHICH PARTICULARLY FEELS NEED TO AVOID IMAGE OF ABANDONING U.S. INDUSTRY. THIS PARTICULARLY IMPORTANT IN VIEW OF FRENCH "TRADE OFFENSIVE" REPORTED EMBASSY'S A-53. KISSINGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL PLANTS, BUSINESS FIRMS, INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE100856  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** ARDORNHEIM:CCH  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750152-0978  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t1975042/aaaaabqg.tel  
**Line Count:** 76  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 JAKARTA 5009  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 JUL 2003 by CunninFX>; APPROVED <14 NOV 2003 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KRAKATAU STEEL  
**TAGS:** EINV, BPRO, ID, US, KRAKATAU STEEL  
**To:** JAKARTA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006